Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

UNCLASSIFIED

PAGE 01 ALGIER 00203 281623Z

21
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 XMB-04 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 /030 W
---------- 067404
R 281530Z JAN 76
FM AMEMBASSY ALGIERS
TO SECSTATE WASHDC 3731

UNCLAS ALGIERS 0203

E.O. 11652: N/A
TAGS: BEXP, AG
SUBJECT: OFFICIAL ALGERIAN VIEWS ON MAJOR PROJECT PROPOSALS FROM U.S. FIRMS

1. IN LONG CONVERSTION WITH COMATT, MINISTRY OF INDUSTRY AND ENERGY OFFICIAL RESPONSIBLE FOR INDUSTRIAL DEVELOPMENT MADE FOLLOWING POINTS WITH REGARD TO PROPOSALS FROM U.S. FIRMS ON MAJOR PROJECTS IN ALGERIA.

2. SOME U.S. FIRMS ARE NOW ASKING FOR PAYMENT IN ADVANCE FOR COSTLY PROPOSALS, GOA WILL NOT ACCEPT THIS CONDITION AND FINDS IT SURPRISING THAT U.S. FIRMS ARE ONLY ONES ASKING THIS. GOA MIGHT BE WILLING, IN SOME CASES, TO PARTIALLY COMPENSATE AN UNSUCCESSFUL BIDDER AFTER THE FACT BUT THIS WOULD BE HIGHLY UNUSUAL.

3. WHEN ONE LARGE U.S. FIRM HAS SEVERAL PROPOSALS BEING CONSIDRED FOR SPEARATE AND UNREALTED PROJECTS, THE U.S. FIRM HAS A TENDANCY TO CONSIDER AND HANDLE THEM SEPARATELY. GOA DOES NOT.THEY CONSIDER BIDS AS RELATED, EVEN THOUGH PROJECTS MAY BE ENTIRELY DIFFERENT AND GOA WILL NEGOTIATE WITH U.S. FIRM ON THIS BASIS. THIS SOMETIMES CAUSES PROBLEMS WITH U.S. FIRMS WHICH OFTEN HAVE ENTIRELY SEPARATE OPERATING DIVISIONS.

4. ON MAJOR PROJECT PROPOSALS GOA WANTS PRINCIPAL FIRM TO MAKE BID, NOT CONSULTING ENGINEERING FIRM WHO THEN SUB CONTRACTS FOR TECHNOLOGY. GOA WANTS TO DEAL FIRSTLY WITH PRINCIPAL AND SECONDLY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ALGIER 00203 281623Z

WITH CONSULTING ENGINEER.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

5. GOA PROCUREMENT DECISIONS ARE CLOSELY TIED TO CURRENT BIDDING ON MAJOR PROJECTS. AS EXAMPLE, IF GOA CONSIDERS BUILDING TRUCK FACTORY, IN INTERIM, TRUCKS WILL BE BOUGHT FROM THOSE FIRMS MAKING PROPOSALS. NO BID, NO CHANCE TO SELL EQUIPMENT.

6. MINISTRY OFFICIAL EMPHASIZED STRONGLY GOA INSISTANCE ON DEALING DIRECTLY WITH U.S. FIRM, NOT THROUGH EUROPEAN, PARTICULARLY FRENCH, SUBSIDIARY OR OFFICE. GOA WANTS PROPOSALS TO COME FROM U.S., NOT EUROPE. WHEN QUESTIONED ON REASONS FOR THIS ATTITUDE OFFICIAL RESPONDED THAT IN PAST PROPOSALS OR CONTRACTS SIGNED THROUGH EUROPEAN OFFICES OF U.S. FIRMS INVARIABLY CONTAINED FRENCH INPUT WHICH GOA WISHED NOW TO AVOID. OFFICIAL WAS VEHEMENT ON THIS POINT.

7. FINANCING IS CURRENTLY VERY IMPORTANT PAT OF PROPOSALS. GOA FEELS U.S. FIRMS DO NOT FULLY APPRECIATE THIS FACT. MINISTRY OFFICIAL WAS CRITICAL OF RECENT EXIMBANK REFUSALS AND PARTICU-LARLY OF EXIMBANK TERMS WHICH ARE CONSIDERED TO BE LESS SATIS-FACTORY THAT OTHER SOURCES.

8. COMMENT: IT WOULD BE APPROPRIATE FOR STATE AND COMMERCE TO USE ABOVE INFORMATION IN BRIEFING U.S. FIRMS INTERESTED IN RESPONDING TO ALGERIAN INVITATIONS TO BID ON MAJOR PROJECTS. THESE VIEWS HAVE BEEN CONFIRMED TO EMBASSY BY EXPERIENCE OF U.S. FIRMS DEALING IN ALGERIA AND OTHER CONTACTS IN GOA AS WELL.LYNE

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ALGIER00203
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760033-0280
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760116/aaaaamyg.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 04 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 JUN 2004 by barnescd>; APPROVED <27 JAN 2005 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OFFICIAL ALGERIAN VIEWS ON MAJOR PROJECT PROPOSALS FROM U.S. FIRMS
TAGS: BEXP, AG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006